



March 18, 2004

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, District of Columbia 20055 1

Dear Ms. Johnson,

This letter is to comment briefly on the proposal to increase the asset size of banks eligible for the streamlined CRA exam. The small bank CRA exam has been effective and reduced regulatory burden. I appreciate the regulatory agency's view that it is time to expand the bank size eligible for the streamlined exam. As community banks grow larger, they continue to function as community banks even though they may have gone through some recent consolidations. Banks of less than \$1 billion in total assets necessarily operate as community banks and need to be regulated as community banks as opposed to regulatory procedures used for banks with hundreds of billions of dollars in assets.

The streamlined procedures do not negate banks from complying with CRA responsibilities. And, community banks have to pay attention to reinvesting in their communities because it is only the success of the community that drives the success of the bank. Community banks don't have nationwide markets and cannot afford to overlook any element in the overall welfare of the communities they serve. Clearly, banks in the \$250 million to \$500 million size category are much more homogeneous with community banks than with large regional or nationwide or international banks. It only makes sense that their CRA process aligns itself with that of community banking.

Thank you for the opportunity to comment on this issue.

Sincerely,

Alan R. Tubbs
Chief Executive Officer

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